THE TRAVANCORE INSURANCE BILL

MR. PUTHUPALLI S. KRISHNA PILLAI: Sir, I beg to introduce the Travancore Insurance Bill. In introducing this Bill, I may be permitted to make a few observations with regard to its salient features.

The existing law relating to insurance is comprised in two enactments, the Life Insurance Companies Regulation and the Provident Insurance Companies Regulation. The first deals with major insurance and the second with provident insurance. Honourable members who were members of the Legislative Council when the Provident Insurance Societies Regulation was discussed and passed might remember the immediate necessity which was felt at that time for making the provisions of that regulation very stringent in regard to one matter, that is, of compelling all provident insurance societies, all persons carrying on provident insurance business, to make a deposit of a sum not exceeding Rs. 50,000. That was a novel provision contained in our regulation and there was nothing corresponding to that in British India. Now, after five years or so, the British Indian Legislature thought that there was much truth in what was said here about these provident insurance companies and they therefore considered the question of compelling the deposit in the case of the provident insurance societies, and adopted a provision which we had adopted some five years ago. They have proposed a sum of Rs. 50,000 as the deposit but we have found that the provision to compel these societies to deposit fifty thousand rupees was too much and to be within the limit of the pecuniary means of our people, it was thought expedient that the sum of fifty thousand rupees might be reduced to twenty five thousand. That is the provision which is in operation. In regard to the provident insurance societies we are in a much better position than British India. They have started legislating for making these companies deposit. It is six years since we have enacted this piece of legislation, and we have brought under control all the provident insurance societies working in the State. The considered opinion of all business men is that insurance business on the dividing system is highly unscientific. They have therefore decided that insurance business on the dividing system should be prohibited whether it be major insurance companies or provident insurance companies. This is the marked feature of the present Bill. We are going to propose that no insurance business whether of the provident or of the major insurance type shall be carried on the dividing system. It is to be prohibited and penalised.

The next important provision which appears to be necessary, relates to the deposit in the case of major insurance. Whereas we have provided that in the case of all provident insurance companies carrying on insurance business, which as honourable members know is only for small amounts.....

PRESIDENT: Mr. Narayana Kurup will move the adjournmen motion.

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